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BUDGET SPEECH

OF

THE HON. R. G. REID

TREASURER OF THE PROVINCE OF ALBERTA

Delivered on March 8th

1934

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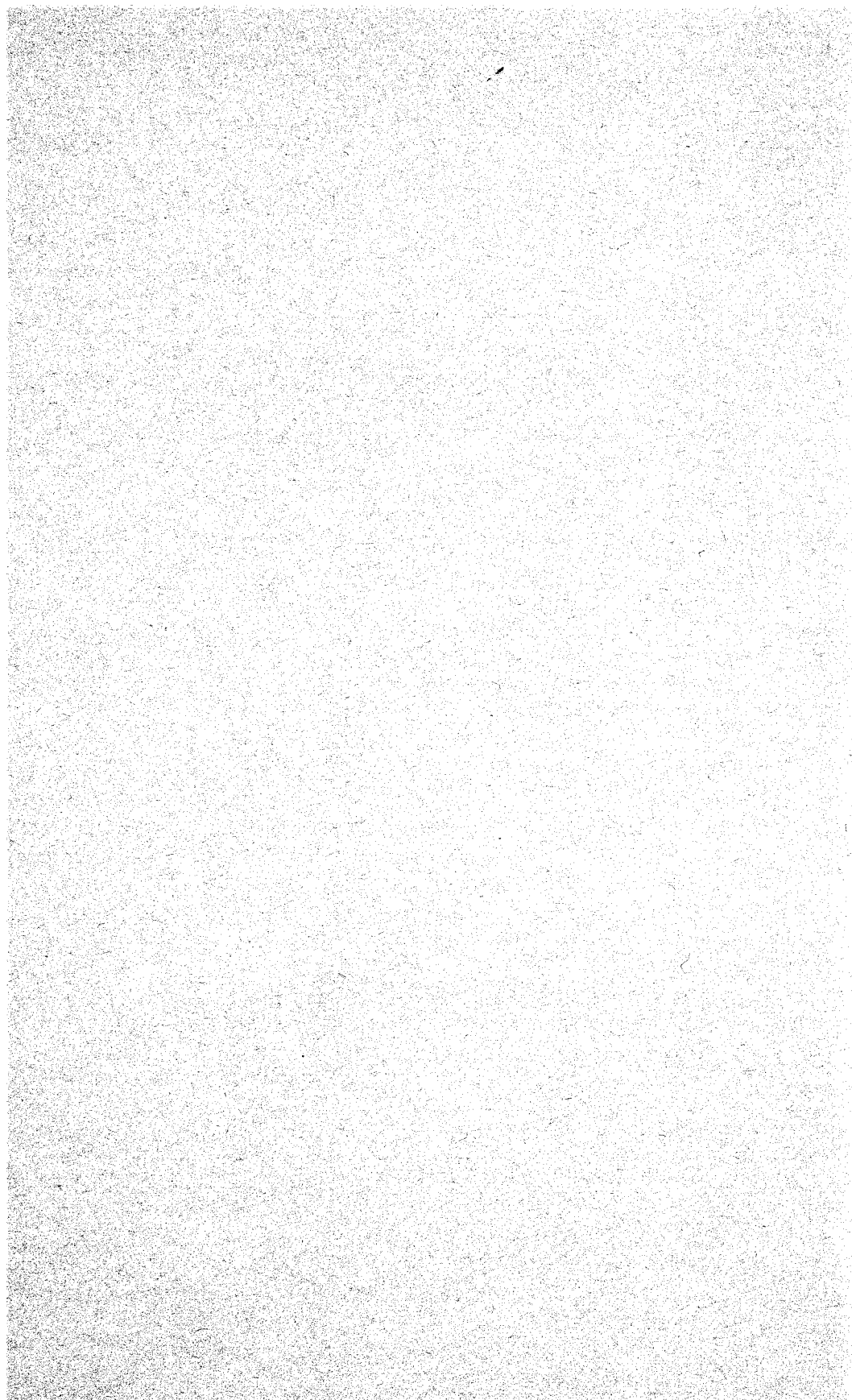
LEGISLATIVE ASSEMBLY OF ALBERTA

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF FINANCIAL AND GENERAL
INFORMATION

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

EDMONTON:
W. D. McLEAN, KING'S PRINTER
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March 8th, 1934

MR. SPEAKER:

In moving that you do now leave the Chair for the purpose of enabling this House to resolve itself into a Committee of Supply to make good the supply to be granted to His Majesty for the year ending the thirty-first of March, 1935, I intend to refer briefly, as I did last year, to World and International conditions before dealing with the financial statements of the Province, its basic industries and the Estimates for the ensuing fiscal year. I think it is more necessary to do so this year in view of the far reaching influence of some of the recent world movements on Canadian affairs.

WORLD CONDITIONS

Last year at this time, Canada, with the leading nations of the world, looked forward with hope to the World Economic Conference. Representatives of sixty-two nations met in London in June; and, following a carefully prepared agenda, considered problems, the solution of which, it was thought, would bring about more normal financial and economic conditions throughout the world. While the Conference did not evolve a common plan which would solve these pressing problems, it did result in a more complete understanding of them, and paved the way for future Conferences.

The past year was crowded with events of great moment; banking problems became acute in the United States; and in March all banks were closed by order of the President. With almost unlimited authority vested in him by Congress, President Roosevelt abandoned the gold standard; and rapidly put into effect a reconstruction programme. Without going into details of the many reconstruction plans now under way in the United States, it is the considered opinion of many, that by these policies, confidence is being restored to a very great degree, and the feeling of further impending financial disasters has disappeared. A year ago the permanent solution of the War Debt problem appeared to be a question that must be settled before any improvement could be expected in world conditions. For the moment, at least, this has ceased to be an immediate problem. Failing to come to a common agreement on international problems, many countries have since turned their attention to internal reconstruction policies, and to the

restoration of international trade, which, I think, most of us are convinced is vital to permanent world recovery. Tariffs and depreciated currency are the major weapons for defence and offence in the intense economic struggle among the nations of the world. Trade statistics reveal that in 1933 the volume of world trade decreased approximately 40% compared with 1929. That there is, however, a determined effort being made to solve this problem is evident by the number of Trade agreements entered into by various nations during the past year. Great Britain has taken the lead in this respect; and it is gratifying to note that the position of British industry generally at this time shows a considerable improvement compared with the previous year. This improvement is necessarily reflected in the Unemployment figures for Great Britain, the number of insured workers employed showing an increase of 743,000 since January, 1933. It is of interest to note that on December 18th, 1933, over ten million workers were employed in Great Britain and insured under their Unemployment Insurance plan. I mention this, as I feel very few of us realize the progressive social changes which are taking place in the Old Land.

Adhering to the belief that lower rates of interest on borrowings for Government and Industrial purposes are essential to economic recovery, Great Britain continued the policy commenced in 1932 of refunding Government obligations at lower rates of interest. In September of last year, a Conversion Loan of £150,000,000, carrying interest at $2\frac{1}{2}\%$ was successfully floated, and part of the proceeds used to retire outstanding bonds bearing $4\frac{1}{2}\%$ interest. Conversion loans were also successfully negotiated in London by Australia, New Zealand and South Africa at costs varying from $3\frac{1}{2}\%$ to $3\frac{3}{4}\%$; and Sterling debentures of these units of the Empire, bearing interest from 5% to 6% were retired. In October, the Dominion of Canada sold an issue of £15,000,000 in London, at a cost of slightly over 4%.

I think it is important to note that this issue was not for the purpose of refunding issues held in Great Britain, but represented a new loan by the people of Great Britain to Canada. It is reasonable to expect that when the refunding programme of the British Government is completed, further Canadian financing will be done in London, resulting in a general downward trend of interest rates in this Dominion. In support of this opinion, I quote the following excerpt from an address of Mr. F. C. Goodenough, Chairman of the Board of Directors of Barclay's Bank, Ltd.: "A great deal has been done within the Empire by Great Britain during the past year, in helping certain of the Dominion and other Governments to re-arrange their finances. It should be possible to do more to help them by finding fresh capital for future development, to our mutual advantage, in accordance with the sound principle that a creditor country like ourselves must be prepared to lend money abroad, not only in our own interests, but also for maintaining the financial and economic equilibrium of the world."

In passing, I might add that the floating debt of the British Government was in December carried at an average rate of .58 per cent compared with $3\frac{1}{2}\%$ per cent two years ago. I am definitely of the opinion, Mr. Speaker, that Canada in this respect should, and must follow the lead of the Mother Land; the Dominion Government must take steps to substantially reduce the interest yields on its bonds, before any material reduction can be expected in the cost of financing the Provinces of Canada, or commercial undertakings.

CANADA—CONDITIONS

Turning now to conditions in Canada, a study of statistics shows a decided upturn in business during the past six months. According to many observers, the depth of the depression was reached approximately last May; and since that time there has been a gradual, but steady improvement. The index of Industrial Employment in December compared with the average for the five-year period, 1925 to 1929 inclusive, was 85.1 against 77.3 and of Manufactures, an increase from 77.4 to 81.1. The Maritimes show an increase of .09; Quebec, the same; Ontario, .10; British Columbia, .12; and the Prairie Provinces, .012.

The lumber industry shows a decided improvement. In November last, 30,000 men were employed in lumbering operations throughout Canada, compared with 7,740 in October, 1932. Operations in New Brunswick are on a larger scale than at any time since 1922; and in the Province of Quebec, more men are employed in this industry than in any year since 1927. Almost a similar improvement is reported in British Columbia.

Industrial production is considerably higher than in 1932, being back to the levels of 1931; and there is a substantial increase in car-loadings and domestic exports. I need not go further into general statistics, which all indicate a definite upward trend during the past six months. In the Prairie Provinces, while there has been some improvement in grain prices, and a more substantial increase in the prices of hogs and butterfat, there has been no marked increase in the volume of purchasing power because of the tremendous reduction in the size of the grain crop. The official estimate indicates a total wheat production of 253,000,000 bushels compared with 408,000,000 in 1932; but notwithstanding the moderate increase in price, the estimated value of the wheat produced last year is only \$111,000,000, which is approximately 20 per cent below the value of the crop the previous year. The official estimated value of field crops for the three provinces is \$189,000,000, as against \$221,000,000 for the previous year. In British Columbia there is a general betterment in the condition of the three major industries: lumbering, mining and fishing. The increased activity in lumbering is directly due to the revival of export trade rather than to any notable increase in domestic demand. While it is encouraging to note the decided improvement in practically all phases of business in Canada, and some improvement in the prices of agricultural products, it is evident that higher prices for these products must be obtained before we can again enjoy any degree of prosperity, for the total value of the field crops of Canada which in 1927 was \$1,173,133,600, was in 1933 only \$421,937,000, a decrease of \$751,196,600, or 64.03 per cent. Nevertheless, there has been during the past few months a remarkable change in the mental attitude of the public. The lack of confidence in the future, and the fear of further economic retrogression have disappeared to a very great degree; and this is contributing considerably to the upward trend of business, to which I have referred.

I turn now to conditions within our own Province, and the position of our basic industry, agriculture.

AGRICULTURE *

This industry in Alberta, through the failure of field crop production in a fairly large section of the Province suffered a rather severe reverse in the season of 1933, which has been only partially offset by a moderate increase in prices for agricultural products. In sharp contrast to the heavy wheat crop of 1932, the final estimate of which was 167,355,000 bushels, the total yield of wheat in 1933 was, according to preliminary estimates, but 94,500,000 bushels. The average net price per bushel received by the farmer for the 1932 crop was stated by the Dominion Bureau of Statistics to be 32 cents, while the preliminary estimate of the average price for the 1933 crop is 41 cents. The total estimated value of the wheat crop of the past season is, therefore, \$38,745,000, compared with a value of \$53,554,000 for the 1932 crop—a shrinkage in revenue of nearly 15 million dollars. The total production of grain crops in the past season was valued at \$52,200,000, compared with \$70,589,000 for 1932—a decrease of \$18,389,000.

Alberta's dairy operations, however, present a brighter picture. The year 1933 set a new record for the Province in the production of creamery butter, the total being 23,750,000 pounds, an increase over that of the previous year of more than 2,700,000 pounds. Prices to the producers of butterfat show an increase of around five cents per pound over last year. The total value of all dairy products for the past year is estimated at \$12,725,000, compared with \$11,850,000 for 1932. The improvement in price is largely accounted for by the removal during the Summer months of a large quantity of the surplus butter, which was sent into the export market, this being made possible by a joint arrangement entered into by the creamery operators of the Province. The export of cheese from the Province last year amounted to 14,000,000 pounds.

Another gratifying feature has been the very substantial improvement in the prices of hogs. This improvement, together with the aggressive policies inaugurated by the Department of Agriculture, has led farmers to give a great deal more attention to the production of high quality bacon hogs, suitable for the British market. Alberta's hog marketings in 1933 totalled over one million head, or about one-third of Canada's total marketings.

The sugar beet industry in Southern Alberta experienced another very good year. While the total production was not quite as great as that of the previous year, the sugar content of the beets produced was the highest on record, and the returns to the farmers were quite satisfactory. The total value of the crop in net returns to the growers was approximately \$825,000.

The wool clip of the Province showed a slight increase over that of 1932, and with greatly enhanced prices, this product brought a total estimated return of \$340,000 as compared with \$144,000 in 1932.

The British market for cattle has been increasingly attractive for Alberta cattlemen, and during 1933 some 11,000 head were shipped from this Province to Great Britain—a very large increase over the previous year. A large number of cattle are again on feed during the present Winter, under the contract feeding arrangement which has produced such satisfactory results during the past two or three years.

*See Statement No. 1, Page 18, for Comparative Agricultural Production, years 1932 and 1933.

The past year furnished an unusual opportunity for Alberta to demonstrate the outstanding quality of its seed grains by participation in the World Grain Congress held at Regina during the Summer. At this exhibition, in competition with seed growers from many countries of the world, Alberta growers were successful in taking the greatest number of prizes in the major grain classes, as well as in winning for the seventh time in the past ten years, the premier world prize for Spring wheat. The total amount of money won in prizes by Alberta at Regina was \$26,594. At the other large exhibitions at Chicago and Toronto, later in the year, exhibitors from this Province in both grains and live stock, upheld their previous record by capturing a very large number of awards.

I wish now to direct your attention from the survey of agricultural conditions to certain Governmental activities.

CO-OPERATIVE MARKETING ASSOCIATIONS GUARANTEE ACT

This Act was passed at the 1929 Session of the Legislature. Total guarantees of the Government amounted to \$431,162. On February 13th, 1934, the liability of the Province under its guarantee had been reduced to \$280,801. Payments made by the Associations totalled \$150,361. I need not comment on this activity of the Government. The figures speak for themselves. There is no question as to the security held by the Government, nor is there now any doubt as to the ability of these organizations to repay their obligations.

ALBERTA CO-OPERATIVE RURAL CREDIT ACT

Under prevailing conditions it was not to be expected that any material reduction could be made in the loans outstanding to members of these societies. The reports tabled in the Legislature show that for the past two years repayments exceed new loans. During the year ended December 31st, 1933, loans made to members of societies included in the Alberta Rural Credit Corporation totalled \$63,684.39, and collections amounted to \$127,997.51. The total amount of loans outstanding together with interest was \$1,545,571.06. The Government under its guarantee took up loans totalling \$150,937.50. Of this amount, it is estimated \$55,000 will be recovered from the borrowers, and the balance of \$95,937 will be refunded to the Province from the Reserve of the Alberta Rural Credit Corporation. The sum of \$88,000 was available for this purpose on December 31st, 1933. It is the intention of the Government to permit the Corporation to pay the amount in instalments over a period of two or three years. Owing to the liquidation of two societies, the loans made by these societies were taken up from the lending banks, the amount being \$369,522, and based on present values, \$116,000 will be recovered. Loans to Sugar Beet Societies amounted to \$44,842, but only the sum of \$612 was unpaid as at December 31st, 1933, and this balance will be paid in full.

The paid-up capital of the Alberta Rural Credit Corporation on December 31st, 1933, amounted to \$297,570, and the Reserve fund, \$88,374.

Much criticism has been directed towards the Co-operative Credit Societies during the past four years; but I ask any member of this

Legislature to compare the condition of these societies with that experienced by Manitoba with a similar scheme, or the Saskatchewan Farm Loan Board. It is overlooked by many that over eight million dollars has been loaned to farmer members of these societies since 1921; that loans have been made for seed and feed in certain districts in the Province, notwithstanding two or more successive crop failures; and that had this not been done, the situation would have had to be met by the Government in some other way.

The increased provision for the Reserve Fund made effective in 1931 will, over a term of years, substantially reduce the actual loss to the Province, and with improved prices for agricultural products, many loans, now considered doubtful, should be collectible.

ALBERTA WHEAT POOL

The financial statement of this Organization for the year ended July 15th, 1933, revealed earnings of \$997,948. After setting aside the sum of \$536,444 to cover depreciation, and \$282,450 to meet the payment due the Province, a balance of \$179,054 was transferred to the Reserve Account. The grain handled during the crop year ended July 15th, 1933, totalled 48 million bushels—an increase over the previous year of six million bushels.

Liquid assets of the Pool as at July 15th, 1933, after deducting current liabilities, amounted to \$3,823,851. Fixed assets, after deducting the depreciation reserve, of \$2,523,553; and the Bank loan of \$1,250,000 against the Vancouver Terminal were valued at \$5,871,734. The total net value of the security held by the Province is, therefore, \$9,695,585. The value of the security held shows an increase of \$316,000 over the previous year, principally due to the reduction of \$250,000 made on the Bank loan against the security of the Vancouver Terminal. In addition, the Pool has purchased and holds sufficient bonds of the issue made to the lending Banks by the Province, to meet their principal payments due the Government for the years 1934 and 1935.

I can only reiterate my statement of last year—that the loan by the Government to this Organization is fully secured; and the Wheat Pool has again demonstrated its ability to meet its payments to the Government.

UNEMPLOYMENT AND FARM RELIEF

The Province's share of the cost of Unemployment Relief from October 1st, 1930, to December 31st, 1933, was \$6,537,020. The cost for the fiscal year ended March 31st, 1933, was \$1,907,401, and the cost for the nine months of the present fiscal year, on a basis of direct relief, totalled \$929,072. In December, 1933, families receiving assistance in urban centres numbered 5,943, consisting of 24,032 persons—an increase of 521 families compared with December, 1932. In the same month, 4,758 single men were assisted under the administration of the Relief Commission, compared with 7,075 the previous year, the decrease being due to the Dominion Government taking charge of practically all of the relief camps. The fact that the number of families receiving assistance during the year showed such a slight increase indicates, I think, that the peak of unemployment has passed. If this can safely be assumed, then it affords a very good reason for the estab-

lishment of a work programme to assist and encourage the recovery of industry and general employment conditions. While no details of any scheme or programme have as yet been announced, there has been an indication that such a policy will be adopted, either by the Dominion itself, or jointly with the Provinces and Municipalities. Pending the announcement of such a policy, the Government has brought in the Estimates on the basis of the continuance of the policy of Direct Relief, but hopes that the amount so estimated will be greatly reduced.

Owing to drought conditions resulting in a total crop failure in certain areas in the Province, the Government was faced with an added problem. Prompt measures were taken to insure an adequate supply of vegetables at a low cost, and the Government absorbed, along with the Dominion Government, the reduced freight charges granted by the railways. Similar arrangements were made covering shipments of fodder for live stock, and seed grain will be furnished in these areas, the policy of the Government in this respect having already been announced.

Estimates of the expenditure deemed necessary for the ensuing year have been tabled as supplementary to the ordinary expenditures of Government; and the amount expended will be capitalized as in previous years.

NATURAL RESOURCES

I have consistently expressed the opinion that in its Natural Resources the Province has a potential asset, and under normal conditions we may reasonably expect a substantial increase in revenue from this source. I have on previous occasions referred to the large amount of accounts receivable which were turned over to the Province by the Dominion Government when the transfer was made. Owing, however, to the adverse conditions which have prevailed since that date, the revenue of the Department has been consistently below the amount we could otherwise anticipate. During the ten-year period from March 31st, 1921, to March 31st, 1930 inclusive, the revenue received by the Dominion Government from this source totalled \$13,847,000—a yearly average of \$1,384,700 and the yearly receipts fluctuated from a low of \$875,000 to over two million dollars a year. In 1932 the Province realized from this source \$1,032,307, and \$861,477 in the fiscal year 1933, both sums being below the average receipts by the Dominion over a ten-year period; and we can reasonably expect a substantial increase in Revenue from this Department under normal conditions.

The production of naphtha and crude oil during the calendar year 1933, of 1,013,040 barrels valued at \$2,945,737 compared with 917,622 barrels valued at \$2,651,035 the previous year. Production showed an increase of 10.3 per cent, principally due to the completion of several new wells; and the improved method of recovering naphtha by the processing of raw gas. It is gratifying to note that all the operators very willingly co-operated and assisted the Government petroleum engineers during the testing of the wells; and this attitude confirms the view previously held by this Government that the benefits of accurate data and a policy of conservation by control, when known, are fully appreciated by all concerned. It is conservatively estimated that the production of oil now in sight should produce a total of

1,318,512 barrels. This total, however, may be considerably augmented, if the results of tests which are under way in three different areas prove successful.

The production of coal for the calendar year 1933 totalled 4,714,697 tons, valued at \$11,567,000—a decrease in production of 155,333 tons, and in value of \$1,875,000. While the decrease in tonnage mined was a contributing factor, lower prices for domestic coal were chiefly responsible for the shrinkage in value.

The amount of natural gas consumed showed a slight increase over the previous year. The lumber industry shows signs of increased activity, due chiefly to the export demand, but a domestic demand is also necessary before there can be any substantial improvement in this particular industry.

CIVIL SERVICE

It has not been my custom in previous years to refer to the administration staff of the Government. Extravagant statements have been made, and in one instance quoted in an Eastern paper, as to the number of civil servants employed in this Province. In fairness to them, and also in answer to the critics of this Government, I feel the facts should be stated.

In August, 1921, there were 2,697 permanent and temporary employees; in August, 1933, there were 2,727—an increase of 30 over a period of twelve years. It should be remembered, however, that the Department of Lands and Mines, Liquor Control Board, Debt Adjustment Office, Income Tax Branch, Old Age Pensions, and Relief Branch were not established in 1921; and the work of some Departments has increased considerably. If you were to eliminate these new services, and allow for the transfer of the Alberta Provincial Police to the Dominion Authorities, the number employed in August, 1933, as compared with 1921 would show a decrease of 358. These figures, Mr. Speaker, compare most favourably with other Provinces; and I wish to take this opportunity of expressing my appreciation of the efficiency and loyalty of the rank and file of the Civil Servants of this Province by whose co-operation this has been made possible.

ALBERTA SAVINGS CERTIFICATES

The calendar year ended December 31st, 1933, closed with a total amount on deposit in Savings Certificates of \$9,075,288.89. Of this amount \$6,002,402 represents deposits payable on demand, and \$3,072,886 is deposited for a specified term of one, two or three years.

The total deposits show a net increase of \$490,000 during 1933, and it is interesting to note that this is the first increase recorded in any year since 1929.

The issue of Term Certificates which was inaugurated on April 25th, 1932, has proved attractive to the investors and you will note that over one-third of the total sum now on deposit is in this form of certificate. The actual interest cost to the Province for the fiscal year ended March 31st, 1933, was 4.24 per cent and the cost of administration, .097, making the total cost 4.34 per cent. The sub-

stantial increase in deposits during the year is, I think, especially gratifying in the face of the economic conditions which prevailed during the past year.

FUNDED AND UNFUNDED DEBT

In dealing with this phase of Provincial finance in the past, I have confined my remarks to a simple statement of facts and figures. I intend, Mr. Speaker, to depart somewhat from that established practice to-day.

One of the main, if not the main, responsibility of any Government is to preserve and maintain the credit and the resources of its people; and judging from the statements made by some of those in opposition, it would almost appear it was their particular duty to paint the financial condition of this Province in the blackest possible light. It is remarkable, Mr. Speaker, but not surprising. With an apparent utter disregard of the events of the past five years, and the problems faced, not only by all Provinces in Canada, but by all Governments throughout the world, they have, to the best of their ability, made every effort to place the debt position of this Province in the worst possible way with a view of discrediting this Government. I say, Mr. Speaker, that this Government has through the past four unprecedented years, not only carried on the services essential to the public welfare of the people of this Province, but has maintained the credit of this Province, and you need only compare our present financial position with any other Province in Western Canada to prove my statement.

During the past year the Province has marketed two debenture issues, each of one million dollars. These were sold at an average cost of 5.59%, and again I ask the members of this House to note that this compares with a cost of 6.25% for Manitoba, around 6.04% for the Province of Saskatchewan, and 5.67% for British Columbia. Surely, the price received for these debentures indicates the opinion of the investing public as to the financial position of our Province.

A debenture issue of \$2,000,000 due June 1st, 1933, was redeemed from part of the moneys received from the sale of Railways, and an issue of \$3,000,000 due November 1st, 1933, was met by the sale of debentures referred to, and by temporary loans from the Bank.

Our debt position as at December 31st, 1933, was as follows:

Gross Funded Debt.....	\$139,733,010.09*
Less: Sinking Fund.....	8,007,017.04
Net Funded Debt.....	\$131,725,993.05
Add: Net Unfunded Debt.....	12,318,633.49
Net Funded and Unfunded Debt.....	<u>\$144,044,626.54</u>

From this total there are properly deductible realizable or income-producing assets amounting to \$37,710,186.45, leaving a net general debt of \$106,334,440.09, or a per capita net debt of \$138.64. The realizable or income-producing assets are made up principally of the Alberta Government Telephone Plant and Supplies, the balance owing in respect to the sale of Railways or \$5,580,000, and the sum of \$5,478,500 debentures of the Alberta Wheat Pool.

*For details of Funded Debt, see Statement No. 2, Pages 20 and 21; see also Statement No. 3, Page 22, for Analysis of Funded and Unfunded Debt.

PUBLIC ACCOUNTS

Dealing now with the final statements for the fiscal year ended March 31st, 1933, you have before you the printed public accounts for that period.

GENERAL REVENUE DEFICIT

As previously announced, the general revenue deficit amounted to \$2,107,521.03 as against \$5,153,050.92 for the previous fiscal year. To the extent of \$685,353.34 the deficit for the year under review represents sinking fund or debt retirement charges, the balance of \$1,422,167.69 being the deficit on operating account.

Actual results as compared with the budget at the beginning of the period are summarized below:

Particulars—	Actual	Estimates	Less than Estimates
Revenue	\$15,426,264.94	\$18,207,227.43	\$2,780,962.49
Expenditure, excluding Debt retirement	16,848,432.63	17,361,561.09	513,128.46
Operating Deficit before providing for Debt retirement	\$ 1,422,167.69	\$ 845,666.34	\$2,267,834.03
(Deficit)		(Surplus)	
Sinking Fund or Debt Retirement	685,353.34	696,466.34	11,113.00
Deficit, including Debt retirement	\$ 2,107,521.03	\$ 149,200.00	\$2,256,721.03
(Deficit)		(Surplus)	

From the above it will be observed that the deficit was wholly due to provincial revenues falling below amounts anticipated, as expenditure was held well below legislative appropriations.

The following table summarizes revenue and expenditure for the year:

REVENUE

Particulars—	Actual	Estimates	Under or Over* Estimates
Dominion of Canada	\$ 2,702,316.89	\$ 2,781,926.21	\$ 79,609.32
Taxes	5,073,917.45	6,164,820.00	1,090,902.55
Licenses	1,817,896.27	2,484,940.00	667,043.73
Fees	1,607,065.50	2,047,740.00	440,674.50
Fines and penalties	48,742.04	100,000.00	51,257.96
Profits from trading activities	1,450,612.05	1,630,000.00	179,387.95
Miscellaneous	112,967.03	92,900.00	20,067.03*
Refunds of Expenditure	1,067,699.03	1,023,546.88	44,152.15*
From revenue-producing Assets	1,545,048.68	1,881,354.34	336,305.66
	<u>\$15,426,264.94</u>	<u>\$18,207,227.43</u>	<u>\$2,780,962.49</u>

Particulars—	Actual	Estimates	Under or Over* Estimates
Education	\$ 2,544,592.24	\$ 2,577,229.00	\$ 32,636.76
Legislation	223,167.52	213,205.00	9,962.52*
General Government	1,453,597.27	1,488,812.64	35,215.37
Miscellaneous	34,489.82	30,460.00	4,029.82*
Administration of Justice	803,124.08	847,046.34	43,922.26
Agriculture, Research and Development	1,079,644.05	1,132,017.80	52,373.75
Public Welfare, Institutions and Charitable Grants	3,479,399.55	3,784,759.31	305,359.76
Highways, bridges and ferries	945,248.39	1,117,000.00	171,751.61
Commissions and fines paid to municipalities, and refunds	155,864.77	40,000.00	115,864.77*
Total ordinary Expenditure	<u>\$10,719,127.69</u>	<u>\$11,230,530.09</u>	<u>\$ 511,402.40</u>
Interest and other charges on Public Debt	6,129,304.94	6,131,031.00	1,726.06
	<u>\$16,848,432.63</u>	<u>\$17,361,561.09</u>	<u>\$ 513,128.46</u>
Sinking Funds	685,353.34	696,466.34	11,113.00
Operating Deficit before providing for Debt Retirement	\$ 1,422,167.69	\$ 845,666.34	\$2,267,834.03
Retirement		(Surplus)	
Deficit, after providing for Sinking Fund or Debt Retirement	\$ 2,107,521.03	\$ 149,200.00	\$2,256,721.03
(Deficit)		(Surplus)	

ALBERTA GOVERNMENT TELEPHONES

This utility reported a deficit of \$277,006.98 for the year. Due to reduced earnings no provision was made for depreciation, other than sinking fund contributions of \$138,997.36.

FISCAL YEAR 1933-1934

You have before you a statement of receipts and payments in respect of the nine months' period ended December 31st, 1933. Ordinary expenditure for the period exceeded receipts by \$1,447,490.03 before providing for sinking fund or debt retirement charges. These amounted to \$547,508, making a cash deficit of \$1,994,998.03 for the nine months as against \$1,395,483.45 during the corresponding period of 1932.

From this statement it has been assumed that the Province faces a large deficit this year and it is no doubt clear that the deficit for the year will be substantial. It is fitting that at this point, however, two or three facts should be considered. The first is that the last quarter of the fiscal year usually shows an improvement in revenue owing to certain taxes such as automobile license fees, which are received in that quarter. This year it is important, however, to note that for the first time since the depression began our revenues show a decided improvement since the first of the year. During the year our revenues kept up to the estimates until the month of October when there was a decided falling off which continued until January, when the actual cash receipts for the month showed an increase of \$418,000 compared with January, 1933, which in effect would reduce the cash deficit for the nine months' period by this amount.

In the second place, the nine months' Statement includes the full proportionate amount for Sinking fund purposes. This Province is the only one of the three Prairie Provinces that made provision in the current year for Sinking Funds. Manitoba made no provision, notwithstanding the fact that their bonds were sold subject to Sinking Fund provision. Saskatchewan made only a slight provision, limiting the Sinking Fund to bonds guaranteed for the Wheat Pool. From the information received the Government is confident that if the provision for Sinking Fund is taken out of the statement in the current year, our net deficit will be approximately the same as the other Prairie Provinces, while if the improvement of the first months of the year continues, the final result will be very favourable in comparison.

ESTIMATES OF REVENUE AND EXPENDITURE, 1934-5

Turning now to the estimates for the ensuing year ending March 31st, 1935:

In framing the budget for the ensuing year, 1934-5, the Government faced the initial difficulty of deciding the probable trend of revenue during the coming fiscal year. However much opinion may have been mistaken at this time last year in its forecasts, it is felt that the ensuing year can and should be faced in the confidence that revenue will be more buoyant. In addition to the improved mental

attitude of our people and the many indications of improved business conditions in many parts of Canada, there is the very definite fact already mentioned that since the first of the year our revenues for the first time since the beginning of the depression show not only an improvement, but a very decided one. The Dominion Government revenues are much improved, as are also those of many of the Provinces. While the agricultural Prairie Provinces may lag behind, prices have improved over the past year, and it is improbable that crop conditions will be worse than last year. From past experience, it has been shown that when conditions begin to improve after a depression the increase in revenue may be very rapid as it only requires a comparatively small increase in each of the main sources to make a very considerable total increase.

We believe that our revenues reached the low point last year. It is interesting to note that these revenues fell below the level of 1928. On the basis of the level of revenue of the same year, the Government would have easily balanced its budget this past year. Since 1928, the gasoline tax has been increased, an income tax introduced, the Lands and Mines Department, with its potential revenue, established, and the Dominion subsidies increased. It is clear, therefore, that a return of economic conditions even to an approximation of that year will result in revenue much above the present level of expenditures.

Having regard to these facts, the Government believes, as a matter of policy, every effort should be made to make such further economies in administrative costs as are possible without any further general curtailment of services, in the hope that revenues will soon overtake the present level of expenditures.

SINKING FUND

As already indicated, this Province alone of the Prairie Provinces last year made provision for the Sinking Fund on the same basis as in previous years. Again this year the Manitoba and Saskatchewan Governments have brought in their budgets without making this provision; and in doing so, are not without substantial precedent. Even Great Britain in one critical year since the War made no provision for Sinking Fund. Even if a deficit results, this Government believes an effort should still be made to set aside the usual Sinking Fund providing it is able to do so without sacrificing some of the most essential services. In order to afford a better basis of comparison with the other Western Provinces, however, we have changed the form of summary from that given in previous years showing, first the operating result before making provision for Sinking Funds.

The estimates of Revenue and Expenditure on Income Account are as follows:

Revenue—Income Account	\$14,896,966.12
Expenditure—Income Account excluding Debt Retirement.....	14,674,505.31
Operating Surplus before providing for Debt Retirement.....	\$ 222,460.81
Sinking Fund, or Debt Retirement.....	746,568.57
Deficit, including Debt Retirement.....	\$ 524,107.76

REVENUE—INCOME ACCOUNT 1934-5

The estimated revenue by Departments is given herewith, together with the Estimates for the previous year:

Details—	Estimates 1934-1935	Estimates 1933-1934	Increase or Decrease *
Dominion of Canada.....	\$ 1,771,475.00	\$ 1,743,159.00	\$ 28,316.00
Agriculture Department	222,325.00	213,595.00	8,730.00
Attorney General's Department.....	2,301,715.00	2,490,800.00	189,085.00*
Education Department	179,300.00	187,550.00	8,250.00*
Executive Council	55,000.00	55,950.00	950.00*
Legislation	1,212.00	1,220.00	8.00*
Municipal Affairs Department.....	1,222,400.00	1,207,700.00	14,700.00
Provincial Secretary's Department.....	4,898,850.00	4,998,150.00	99,300.00*
Public Health Department.....	359,597.50	372,020.00	12,422.50*
Public Works Department.....	113,500.00	107,100.00	6,400.00
Railways and Telephones Department: (Railways and Water Resources Branch)....	224,200.00	428,533.00	204,333.00*
Treasury Department	2,285,191.62	2,426,997.68	141,806.06*
Lands and Mines Department.....	1,262,200.00	1,240,400.00	21,800.00
	<u>\$14,896,966.12</u>	<u>\$15,473,174.68</u>	<u>\$576,208.56* net</u>
Less Salary Deductions	300,000.00	320,000.00	20,000.00*
	<u>\$14,596,966.12</u>	<u>\$15,153,174.68</u>	<u>\$556,208.56* net</u>

EXPENDITURES—INCOME ACCOUNT 1934-5

The following statement sets forth the estimated expenditures for the ensuing fiscal year compared with the estimates for the previous year:

Details—	Estimates 1934-1935	Estimates 1933-1934	Increase or Decrease *
Executive Council	\$ 305,679.00	\$ 316,594.00	\$ 10,915.00*
Legislation	228,610.00	229,860.00	1,250.00*
Agriculture Department	325,737.50	334,692.56	8,955.06*
Attorney General's Department.....	1,086,041.00	1,101,841.00	15,800.00*
Education Department	2,272,750.00	2,218,187.00	54,563.00
Municipal Affairs Department.....	121,195.00	113,820.00	7,375.00
Provincial Secretary's Department.....	97,108.34	94,613.34	2,495.00
Public Health Department.....	1,367,134.67	1,348,921.31	18,213.36
Public Works Department.....	1,590,283.00	1,585,293.00	4,990.00
Railways and Telephones Department: (Railways and Water Resources Branch)....	67,035.51	67,460.00	424.49*
Treasury Department	427,808.30	443,740.00	15,931.70*
Lands and Mines Department.....	448,825.00	448,890.00	65.00*
	<u>\$ 8,338,207.32</u>	<u>\$ 8,303,912.21</u>	<u>\$ 34,295.11</u>
Less: Salary Deductions.....	300,000.00	320,000.00	20,000.00*
Total Ordinary Expenditure.....	<u>\$ 8,038,207.32</u>	<u>\$ 7,983,912.21</u>	<u>\$ 54,295.11</u>
Interest and other charges on Public Debt	6,336,297.99	6,447,397.19	111,099.20*
	<u>\$14,374,505.31</u>	<u>\$14,431,309.40</u>	<u>\$ 56,804.09* net</u>
Sinking Funds	746,568.57	712,165.28	34,403.29
	<u>\$15,121,073.88</u>	<u>\$15,143,474.68</u>	<u>\$ 22,400.80* net</u>

Drastic reductions in expenditure were made last year, Mr. Speaker, with a view to meeting conditions as they appeared at that time; and while the estimated revenue for the current fiscal year will not be realized, I am of the opinion, as already stated, that the fact is almost entirely due to the decrease in the wheat crop of over 75 million bushels, and the resulting shrinkage in value of some 16 million dollars.

The Government is reluctant to increase taxation to meet the apparent deficiency, and at the same time is opposed to making further reductions in School Grants, Health Services and Highway Maintenance. Expenditures for certain essential services have been deferred and cannot be undertaken until revenue shows more definite indica-

tions of reaching former levels; and in this connection I might refer to the need for added facilities for the care of tuberculosis patients. The Sanitarium at Keith is, and has been for some time, taxed to its capacity. The Mental Institutes are also reaching the maximum number of patients they can accommodate, and during the year the situation at Ponoka was temporarily relieved by transferring one hundred patients to Claresholm, utilizing the building formerly used as an Agricultural School. The proposed expenditure for Highway Maintenance is less than we feel should be provided under ordinary conditions.

TAXATION

As previously intimated, the Government does not feel that further taxation should be imposed upon our people; at least, not until the upward trend of revenue has been more definitely established. While some of the other Provinces have materially augmented their revenue by the imposition of a wage tax, it is felt that in view of the low scale of wages now prevailing in many industries such a tax should only be imposed as a last resort. The Government will submit legislation at this Session to eliminate the base tax payable under The Income Tax Act, and will recommend certain changes in the schedules in the higher levels of income to make up the deficiency resulting from this change.

REFUNDING OF CAPITAL DEBT

The Government is committed, however, in co-operation with the other Western Provinces, to explore every possibility of refunding as much of the Capital debt as is possible at lower rates of interest. While the British market is now closed to Provincial issues, there is reason to believe that the low interest rates prevailing there may result in a change in this policy. There has also been a notable trend in Canada in recent weeks towards lower rates. While it is probable little more can be accomplished during the year than to refund the present unfunded debt on a satisfactory basis, the Government intend to explore the possibility of refunding at lower rates a large part of the Public Debt, provided always, that any such action is feasible in view of the fact that our bonds have in the past been issued without callable provision.

The question of refunding our present debt at lower rates of interest has been fully discussed by the members of all groups in this Legislature, and I do not intend, nor is it necessary for me to deal with it further at this time except to say, Mr. Speaker, that this Government is fully cognizant of this problem, and no opportunity of effecting a saving to the people of this Province will be overlooked, when and if it can be accomplished. It must, however, be approached with a knowledge that for years to come this Province will necessarily be a borrower in order to finance and undertake works which will be necessary as the Province develops.

CAPITAL ACCOUNT

The comparative figures of estimated receipts and payments on Capital Account are as follows:

Receipts

Details—	Estimates 1934-1935	Estimates 1933-1934	Increase or Decrease *
Executive Council	\$328,500.00	\$ 333,000.00	\$ 4,500.00 *
Agriculture Department	7,800.00	7,800.00	.....
Education Department	53,000.00	85,000.00	32,000.00 *
Municipal Affairs Department	139,500.00	105,200.00	34,300.00
Public Works Department	13,000.00	38,000.00	25,000.00 *
Railways and Telephones Department: (Railways and Water Resources Branch)....	69,200.00	5,050,600.00	4,981,400.00
Treasury Department	43,041.94	40,900.00	2,141.94
Lands and Mines Department	8,000.00	8,000.00	.....
	<u>\$662,041.94</u>	<u>\$5,668,500.00</u>	<u>\$5,006,458.06* net</u>

Payments

Details—	Estimates 1934-1935	Estimates 1933-1934	Increase or Decrease *
Public Debt .....	.....	\$ 500,000.00	\$500,000.00 *
Executive Council	\$ 100,000.00	125,000.00	25,000.00 *
Agriculture Department	16,000.00	16,000.00	.....
Municipal Affairs Department	105,200.00	30,200.00	75,000.00
Public Works Department	568,000.00	286,500.00	281,500.00
Railways and Telephones Department: (Railways and Water Resources Branch)....	576,070.00	630,895.00	54,825.00 *
Treasury Department	21,500.00	21,500.00	.....
	<u>\$1,386,770.00</u>	<u>\$1,610,095.00</u>	<u>\$223,325.00* net</u>
Unemployment Relief	\$1,466,130.00	.....	.....
Farm Relief	369,087.81	.....	.....
	<u>\$1,835,217.81</u>	.....	.....
	<u>\$3,221,987.81</u>	.....	.....

* In 1933-34 note Included in Estimates: paid under Statutory authority.

The decrease in estimated receipts as compared with the present fiscal year is almost wholly accounted for by the payment received this year from the sale of the Railways. The expenditures on Main and District Highways show an increase of \$290,000 and this work will be undertaken providing financing can be arranged on a satisfactory basis. It is hoped that possibly some of the work may be carried out as part of a reconstruction work programme with the assistance of the Dominion Government.

Until recently the nations of the world were confronted by the most serious economic crisis of modern times, and seemed bewildered and helpless; the ablest statesmen were baffled by the complexity of their problems.

To-day the nations of the world are grappling with those problems with a boldness and determination that seemed lacking in the earlier years of the depression. With the story of former depressions in mind I feel confident that during the present year the improvement which has been so noticeable during the past six months will continue with increased momentum and the budget which I have tabled to-day is based on the firm conviction that recovery is definitely under way.

GOVERNMENT OF THE PROVINCE OF ALBERTA

STATEMENT No. 1

VALUE OF AGRICULTURAL PRODUCTION

Revised Estimate for Season of 1932

GRAIN CROPS—		Yield per	Total Yield		
	Acreage	Acre, Bus.	Bus.	Price	Value
Wheat	8,201,000	20.40	167,355,000	\$.32	\$53,554,000
Oats	2,704,800	37.50	101,500,000	.13	13,195,000
Barley	701,300	28.10	19,700,000	.16	3,152,000
Rye	183,100	10.90	1,988,000	.24	476,680
Mixed Grains	25,300	28.90	731,000	.14	102,000
Flax	15,200	9.70	147,000	.59	86,700
Peas	400	16.00	6,000	.60	3,600
Beans	500	11.80	6,000	.70	4,200
Alfalfa Seed	2,000	.62	1,250	12 00	15,000
	11,833,600		291,434,250		\$70,589,180
ROOT CROPS—		Cwt.	Cwt.		
Potatoes	31,000	68.0	2,102,000	\$.64	\$1,345,000
Turnips, Mangolds, etc.....	1,800	115.0	207,000	.64	132,000
		Tons	Tons		
Sugar Beets	13,929	10.80	150,731	6.20	934,532
	46,729				\$2,411,532
FODDER CROPS—		Tons	Tons		
Green Feed	1,850,000	1.75	3,238,000	\$6.00	\$19,428,000
Hay and Clover.....	231,300	1.54	356,000	6.50	2,314,000
Alfalfa	56,800	2.45	139,000	8.00	1,112,000
Fodder Corn	4,500	5.31	26,000	3.50	91,000
	2,142,600		3,759,000		\$22,945,000
DAIRY PRODUCTS—		Number of Creameries or Factories	Total Production, Lbs.	Cents	Value
Creamery Butter	95		21,016,048	16.71	\$3,512,685
Cheese	12		1,439,715	10.15	146,177
Other Dairy Products.....					8,191,138
					\$11,850,000
MISCELLANEOUS PRODUCTS—			Total Production, Lbs.	Cents	Value
Honey			550,000	8.0	\$ 44,000
Wool Clip			3,200,000	4.5	144,000
Poultry Products					4,000,000
Game and Furs.....					877,332
Animals Slaughtered and Sold.....					17,585,582
					\$22,650,914

VALUE OF AGRICULTURAL PRODUCTION—Continued

Preliminary Estimate for Season of 1933
(Subject to Revision)

GRAIN CROPS—		Yield per	Total Yield		
	Acreage	Acre, Bus.	Bus.	Price	Value
Wheat	7,898,000	12.00	94,500,000	\$.41	\$38,745,000
Oats	2,870,000	25.30	72,500,000	.15	10,875,000
Barley	631,000	20.30	12,783,000	.17	2,173,000
Rye	169,000	5.30	902,000	.26	239,000
Mixed Grains	20,800	22.30	464,000	.18	84,000
Flax	10,700	4.00	43,000	1.05	45,000
Peas	600	13.00	7,800	1.00	8,000
Beans	800	12.60	10,000	1.30	13,000
Alfalfa Seed	2,100	.67	1,417	12.00	17,000
	11,603,000		181,211,217		\$52,199,000
ROOT CROPS—		Cwt.	Cwt.		
Potatoes	32,000	58.00	1,856,000	\$.75	\$1,392,000
Turnips, Mangolds, etc.....	1,900	81.00	154,000	.65	100,000
		Tons	Tons		
Sugar Beets.....	14,040	9.79	137,458	6.00	824,748
	47,940				\$2,316,748
FODDER CROPS—		Tons	Tons		
Green Feed	1,900,000	1.75	3,080,000	\$5.00	\$15,400,000
Hay and Clover.....	282,400	1.28	361,000	6.00	2,166,000
Alfalfa	73,100	1.94	142,000	8.00	1,136,000
Fodder Corn	5,000	2.52	13,000	4.70	61,000
	2,260,500		3,596,000		\$18,763,000
DAIRY PRODUCTS—		Number of Creameries or Factories	Total Production, Lbs.	Cents	Value
Creamery Butter	96		23,750,000	17.5	\$4,156,250
Cheese	11		1,435,000	10.8	154,980
Other Dairy Products.....					8,413,770
					\$12,725,000
MISCELLANEOUS PRODUCTS—			Total Production, Lbs.	Cents	Value
Honey			1,000,000	9	\$ 90,000
Wool			3,400,000	10	340,000
Poultry Products					5,000,000
Game and Furs.....					1,074,885
Animals Slaughtered and Sold.....					20,767,325
					\$27,272,210

SUMMARY

Value of Production—	1932	1933
Grain, Root and Fodder Crops.....	\$95,945,712	\$73,278,748
Dairy Products	11,850,000	12,725,000
Miscellaneous Products	22,650,914	27,272,210
	\$130,446,626	\$113,275,958
Acreage Under Cultivation—	1932 Acres	1933 Acres
Grain, Root and Fodder Crops.....	14,022,929	13,911,440
Summer Fallow	4,003,800	4,075,470
New Breaking	255,600	221,300
	18,282,329	18,208,210

GOVERNMENT OF THE PROVINCE OF ALBERTA

STATEMENT No. 2

STATEMENT OF FUNDED DEBT AND TREASURY BILLS AT DECEMBER 31, 1933

Date of Issue	Date of Maturity	Amount	Int. Rate	Where Payable	Denominations	Distribution	
						General Revenue	Telephones
Debentures and Stock:							
April 1, 1931	April 1, 1934	\$ 2,000,000.00	4 1/2 %	M., T., W., E., C., V., N.Y.	\$1,000.00	\$ 2,000,000.00	\$ 800,000.00
April 1, 1931	April 1, 1935	3,943,000.00	4 1/2 %	M., T., W., E., C., V., N.Y.	\$1,000.00	3,143,000.00	1,000,000.00
Jan. 15, 1931	Jan. 15, 1936	2,000,000.00	6 %	M., T., E.	\$1,000.00, \$500.00	1,000,000.00	1,000,000.00
April 1, 1931	April 1, 1936	3,200,000.00	6 %	M., T., E.	\$1,000.00, \$500.00	1,000,000.00	2,200,000.00
Nov. 1, 1931	Nov. 1, 1936	1,250,000.00	6 %	M., T., E.	\$1,000.00, \$500.00	1,000,000.00	250,000.00
June 1, 1931	June 1, 1937	1,000,000.00	4 1/2 %	M., T., W., E., C., V., N.Y.	\$1,000.00	1,000,000.00	
June 1, 1938	June 1, 1938	2,000,000.00	4 %	M., T., E., N.Y.	\$1,000.00	1,000,000.00	2,000,000.00
Jan. 1, 1939	Jan. 1, 1939	2,500,000.00	5 1/2 %	M., T., E., N.Y.	\$1,000.00, \$500.00, \$100.00	2,500,000.00	
Jan. 15, 1939	Jan. 15, 1939	750,000.00	5 %	M., T., E.	\$1,000.00, \$500.00, \$100.00	750,000.00	
Jan. 1, 1939	Jan. 1, 1939	250,000.00	5 %	M., T., E.	\$1,000.00, \$500.00	250,000.00	
Sept. 1, 1934	Sept. 1, 1939	2,000,000.00	5 %	M., T., E., W., V.	\$1,000.00, \$500.00	2,000,000.00	
Feb. 15, 1940	Feb. 15, 1940	750,000.00	5 %	M., T., E., Vic.	\$1,000.00, \$500.00	750,000.00	
Feb. 15, 1935	Feb. 15, 1940	2,250,000.00	4 1/2 %	M., T., E., N.Y., L.	\$1,000.00, \$500.00	2,250,000.00	
July 15, 1941	July 15, 1941	2,250,000.00	6 %	M., T., E.	\$1,000.00, \$500.00	2,250,000.00	
Sept. 1, 1941	Sept. 1, 1941	1,800,000.00	6 %	M., T., E.	\$1,000.00, \$500.00	1,800,000.00	
Oct. 1, 1941	Oct. 1, 1941	1,538,230.68	6 %	M., T., E.	\$1,000.00, \$230.68	1,538,230.68	
Oct. 1, 1941	Oct. 1, 1941	1,700,000.00	6 %	M., T., E.	\$1,000.00	1,700,000.00	
Dec. 1, 1941	Dec. 1, 1941	1,250,000.00	4 1/2 %	M., T., E., N.Y.	\$1,000.00	1,250,000.00	
Jan. 15, 1942	Jan. 15, 1942	1,250,000.00	4 1/2 %	M., T., E., Vic., N.Y.	\$1,000.00	1,250,000.00	
July 1, 1942	July 1, 1942	1,300,000.00	4 1/2 %	M., T., E., C. Vic., N.Y.	\$1,000.00	1,300,000.00	
Sept. 15, 1942	Sept. 15, 1942	2,938,000.00	5 %	M., T., E., N.Y.	\$1,000.00	2,938,000.00	
Nov. 1, 1942	Nov. 1, 1942	3,538,008.07	5 %	M., T., E., N.Y.	\$1,000.00, Stock	729,724.41	2,218,275.59
Nov. 1, 1943	Nov. 1, 1943	2,000,000.00	5 %	M., T., E., N.Y.	\$1,000.00, \$500.00	1,500,000.00	43,126.45
July 1, 1943	July 1, 1943	2,000,000.00	4 1/2 %	M., T., E., N.Y.	\$1,000.00, \$500.00	2,000,000.00	2,000,000.00
Nov. 1, 1943	Nov. 1, 1943	2,081,754.68	4 1/2 %	M., T., E., N.Y.	\$1,000.00, Stock	1,849,052.82	1,332,701.86
June 15, 1943	June 15, 1943	2,750,000.00	4 1/2 %	M., T., E., N.Y., L.	\$1,000.00, \$500.00, \$100.00	2,250,000.00	
Jan. 15, 1946	Jan. 15, 1946	2,846,000.00	5 1/2 %	M., T., E., N.Y., C. V.	\$1,000.00, \$500.00	2,750,000.00	2,000,000.00
Jan. 2, 1947	Jan. 2, 1947	2,800,000.00	5 %	M., T., E., N.Y.	\$1,000.00	2,800,000.00	396,000.00
March 1, 1947	March 1, 1947	2,800,000.00	5 %	M., T., E., N.Y.	\$1,000.00	2,800,000.00	
Jan. 1, 1948	Jan. 1, 1948	2,740,000.00	5 %	M., T., E., N.Y., C. V., N.Y.	\$1,000.00, \$500.00, \$100.00	2,740,000.00	468,000.00
April 15, 1950	April 15, 1950	2,648,000.00	4 1/2 %	M., T., E., N.Y., C. or V.	\$1,000.00, \$500.00	2,648,000.00	
Oct. 1, 1951	Oct. 1, 1951	2,000,000.00	5 1/2 %	M., T., E., N.Y., C. or V.	\$1,000.00, \$500.00	2,000,000.00	
April 1, 1952	April 1, 1952	1,000,000.00	4 1/2 %	M., T., E., N.Y., C. or V.	\$1,000.00, \$500.00	1,000,000.00	
July 15, 1953	July 15, 1953	1,000,000.00	4 1/2 %	M., T., E., N.Y., C. or V.	\$1,000.00, \$500.00	1,000,000.00	
Oct. 15, 1954	Oct. 15, 1954	1,000,000.00	5 %	M., T., E., N.Y., C. or V.	\$1,000.00, \$500.00	1,000,000.00	
July 15, 1955	July 15, 1955	1,000,000.00	5 %	M., T., E., N.Y., C. or V.	\$1,000.00, \$500.00	1,000,000.00	
Sept. 1, 1953	Sept. 1, 1953	1,000,000.00	4 1/2 %	M., T., E., N.Y., C. or V.	\$1,000.00, \$500.00	1,000,000.00	
Oct. 1, 1956	Oct. 1, 1956	6,000,000.00	4 1/2 %	M., T., E., N.Y., N.Y.	\$1,000.00	4,756,394.35	1,243,605.65
Jan. 15, 1957	Jan. 15, 1957	1,275,000.00	4 1/2 %	M., T., E., Vic., N.Y.	\$1,000.00	1,275,000.00	
Dec. 1, 1957	Dec. 1, 1957	1,850,000.00	4 1/2 %	M., T., E., Vic., N.Y.	\$1,000.00	1,850,000.00	
July 16, 1958	July 16, 1958	3,500,000.00	4 1/2 %	M., T., E., W., V., N.Y., L., C.	\$1,000.00	2,308,000.00	692,000.00

Oct. 1, 1928.....	Oct. 1, 1928.....	4 1/2 %	M., T., E., W., C., V., N.Y., L.	\$1,000.00, \$500.00	5,915,000.00	.....
Jan. 1, 1929.....	Jan. 1, 1929.....	5 %	L., T., E., W., C., V., N.Y., L.	\$1,000.00	7,400,000.00	.....
Oct. 1, 1929.....	Oct. 1, 1929.....	5 %	M., T., E., W., C., V., N.Y., L.	\$1,000.00, \$500.00	3,913,500.00	2,086,500.00
May 1, 1930.....	May 1, 1930.....	4 1/2 %	M., T., E., W., C., V., N.Y.	\$1,000.00, \$500.00	3,000,000.00	.....
April 1, 1931.....	April 1, 1931.....	4 1/2 %	M., T., E., W., C., V., N.Y.	\$1,000.00, \$500.00	3,250,000.00	1,750,000.00
July 1, 1931.....	July 1, 1931.....	4 1/2 %	M., T., E., W., C., V., N.Y.	\$1,000.00	5,446,000.00	.....
June 1, 1932.....	June 1, 1932.....	5 %	L., T., E., N.Y.	£1,000.00	4,136,666.66	730,000.00
June 1, 1932-67.....	June 1, 1932-67.....	4 1/2 %	L., T., E., N.Y.	£1,000.00	3,370,500.00	1,369,000.00
June 1, 1937.....	June 1, 1937.....	5 %	E., T., E., W., C., V., N.Y.	\$1,000.00	500,000.00	.....
Feb. 15, 1924.....	Feb. 15, 1924.....	5 %	E., T., E., W., C., V., N.Y.	\$250,000.00	250,000.00	.....
July 15, 1924.....	July 15, 1924.....	5 %	E., T., E., W., C., V., N.Y.	\$130,000.00	130,000.00	.....
June 15, 1925.....	June 15, 1925.....	5 %	E., T., E., W., C., V., N.Y.	\$1,000,000.00	1,000,000.00	.....
May 1, 1930.....	May 1, 1930.....	4 1/2 %	E., T., E., W., C., V., N.Y.	\$1,000,000.00	.....	.....
Total Funded Debt.....	Total Funded Debt.....				\$104,724,619.86	\$26,112,640.23
TREASURY BILLS:						
Jan. 1, 1933.....	Jan. 1, 1933.....	6 %	E., T., E., W., C., V., N.Y.	E.	\$ 155,000.00	.....
Jan. 3, 1934.....	Jan. 3, 1934.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	200,000.00	.....
Jan. 13, 1933.....	Jan. 13, 1933.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	1,428,000.00	\$ 952,000.00
Jan. 18, 1934.....	Jan. 18, 1934.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	442,000.00	.....
Feb. 9, 1934.....	Feb. 9, 1934.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	500,000.00	.....
April 15, 1933.....	April 15, 1933.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	500,000.00	.....
May 1, 1934.....	May 1, 1934.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	500,000.00	.....
June 1, 1933.....	June 1, 1933.....	5 1/2 %	E., T., E., W., C., V., N.Y.	E.	190,000.00	.....
Aug. 1, 1933.....	Aug. 1, 1933.....	5 1/2 %	E., T., E., W., C., V., N.Y.	E.	500,000.00	.....
Sept. 1, 1933.....	Sept. 1, 1933.....	5 1/2 %	O., E., T., E., W., C., V., N.Y.	O., E.	500,000.00	.....
Sept. 1, 1934.....	Sept. 1, 1934.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	500,000.00	.....
Oct. 5, 1933.....	Oct. 5, 1933.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	140,000.00	.....
Dec. 1, 1933.....	Dec. 1, 1933.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	600,000.00	.....
Dec. 11, 1933.....	Dec. 11, 1933.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	500,000.00	.....
Dec. 23, 1933.....	Dec. 23, 1933.....	5 %	O., E., T., E., W., C., V., N.Y.	O., E.	1,000,000.00	.....
Sept. 1, 1932.....	Sept. 1, 1932.....	5 1/2 %	O., E., T., E., W., C., V., N.Y.	O., E.	320,000.00	.....
					468,750.00	.....
Total Funded Debt and Treasury Bills.....	Total Funded Debt and Treasury Bills.....				\$112,668,369.86	\$27,064,640.23
Less: Sinking Funds.....	Less: Sinking Funds.....				6,151,484.70	1,855,532.34
Net Funded Debt and Treasury Bills.....	Net Funded Debt and Treasury Bills.....				\$106,516,885.16	\$25,209,107.89

* Alberta and Great Waterways Railway First Mortgage Debenture Bonds.

Abbreviations: M., Montreal; T., Toronto; O., Ottawa; W., Winnipeg; E., Edmonton; C., Calgary; V., Vancouver; Vic., Victoria; N.Y., New York; L., London, England.

GOVERNMENT OF THE PROVINCE OF ALBERTA

STATEMENT No. 3

ANALYSIS OF FUNDED AND UNFUNDED DEBT

The net funded and unfunded debt at December 31st, 1933, amounted to \$144,044,626.54, as follows:

Funded debt	\$139,733,010.09	
Less: Sinking funds	8,007,017.04	
		131,725,993.05
Unfunded debt:		
Savings certificates	\$ 9,075,288.89	
Less: Cash and investments.....	3,565,925.09	
	\$ 5,509,363.80	
Temporary loans	4,470,151.38	
Superannuation fund	1,821,466.82	
Miscellaneous liabilities	517,651.49	
		12,318,633.49
Net funded and unfunded debt.....		\$144,044,626.54

In order to arrive at the net general debt the following realizable or income-producing assets may properly be deducted:

Alberta Government Telephones plant and supplies at cost....	\$ 23,833,793.06
Railways, balance owing by C.P.R. and C.N.R.....	5,580,000.00
Elevator loan	258,299.92
Alberta Wheat Pool loan.....	5,649,000.00
Loans to cities of Calgary and Edmonton.....	1,460,860.59
Receivable from Dominion Government for Unemployment and Agricultural Relief.....	293,114.78
Working advances, net assets.....	635,118.10
	37,710,186.45

Net general debt..... \$106,334,440.09

Net general debt is represented by expenditures on—

General Assets:	
Roads, bridges and ferries.....	\$ 32,765,880.09
Public buildings and other public works.....	18,034,704.70
University of Alberta.....	4,432,017.58
University Hospital	462,931.94
Lethbridge Northern Irrigation District.....	5,046,763.17
Miscellaneous	669,998.52
	\$ 61,412,296.00

Loans and advances at book values, partially secured, subject to realization and provision for losses:

Seed grain, relief and agricultural loans.....	\$ 5,180,798.20
Unemployment relief	770,430.86
School district loans.....	341,858.08
Normal School Students' loans.....	186,124.54
District and irrigation districts.....	247,316.87
Miscellaneous	158,201.47
	6,884,730.02

Deferred charges and capital losses:

Loss on sale of railways.....	\$ 11,441,670.82
*Debenture discount	6,090,604.27
*American exchange	1,571,738.42
Unemployment relief	3,959,909.56
Alberta Government Telephones.....	1,291,078.94
Accounts written off.....	1,010,330.65
War gifts and expenses.....	573,941.30
Refund re Dominion subsidy.....	468,750.00
Grants re bridges.....	400,000.00
Miscellaneous	1,864,555.41
	\$ 28,672,579.37
Less: Reserves and capital surplus.....	8,687,847.11
	19,984,732.26

Advances to income account covering income deficits and net income assets..... 18,052,681.81

*Net General Debt..... \$106,334,440.09

*Including Alberta Government Telephones.

GOVERNMENT OF THE PROVINCE OF ALBERTA

STATEMENT No. 4

GENERAL STATISTICS

Area—Land	159,232,000	acres
Water	4,150,400	"
Total	163,382,400	"
Area in square miles.....	255,285	miles
Population, 1931 Census..	731,605	
1933 (Est.) ..	767,000	
Area of National Parks....	13,434,240	acres
Area of Forest Reserves..	12,436,500	"
Area of Surveyed Tract....	87,889,701	"
Area under Irrigation	1,026,120	"
Total Area, Irrigable.....	3,354,080	"
Estimated Agricult'al Area	97,123,000	"
Area in occupied farms..	38,977,457	"
Area of improved land in occupied farms.....	17,763,109	"
Total number of farms—		
1932	94,605	
Average size of farms—		
1931	400.15	acres
1921	352.50	"
Average value of farm property per acre—		
1933	\$16.00	
Average size of improved land per farm—		
1931	182.35	acres
1921	141.86	"
Acres under cultivation—		
1906	659,981	acres
1932	18,282,329	"
1933	18,208,210	"
Acres in wheat—		
1906	177,127	"
1932	8,201,000	"
1933	7,898,000	"
Total Market Value of Agricultural Production—		
1906	\$ 16,428,205	
1927	330,143,152	
1932	131,452,626	
1933 (Estimated)	113,275,958	
Average yield of Wheat, 1923-32, inclusive, 19.21 bushels per acre.		
Creamery butter manufactured—		
1906	1,960,356	lbs.
1932	21,016,048	"
1933	23,750,000	"
Total Live Stock Population, 1933—		
Horses	706,300	head
Milch Cows	406,500	"
Other cattle	1,065,300	"
Sheep	664,300	"
Swine	954,000	"
Poultry	7,609,200	"
Live Stock on Farms, 1931 Census—		
Horses	on 79,284	farms
Milch Cows	on 67,422	"
Sheep	on 6,784	"
Swine	on 54,512	"
Poultry	on 72,155	"
Shipments of cattle from Alberta—		
1906	82,830	head
1919	213,419	"
1922	300,211	"
1932	96,701	"
1933	123,428	"
Hog Marketings—		
1920	74,237	"
1921	158,097	"
1922	394,898	"
1932	1,008,452	"
1933	1,032,169	"

NATURAL RESOURCES	
Estimated coal area, over 16,500 square miles, with coal reserves over 1,000 million tons:	
Coal Production—	
1906	1,385,000 tons
1928	7,334,179 "
1931	4,564,290 "
1932	4,870,030 "
1933	4,717,514 "
Petroleum Production—	
1924	844 bbls.
1931	1,455,195 "
1932	917,622 "
1933	1,013,040 "
Natural Gas Production—	
1911	780,286 m. cu. ft.
1921	4,945,884 "
1930	20,748,583 "
1931	18,327,139 "
1932	16,508,583 "
1933	16,789,911 "
Value of Fisheries—	
1912	\$ 51,616
1921	459,373
1929	930,853
1930	699,980
1931	336,801
1932	225,625
Value of Mineral Production—	
1907	\$ 4,657,524
1920	33,586,456
1929	34,739,986
1930	30,427,742
1931	23,580,727
1932	21,183,079
Manufacturing Industries, 1931—	
No. of Establishments	886
Capital Invested	\$107,427,603
Employees	11,798
Salaries and Wages....	\$ 14,213,753
Value of Products.....	68,367,411
Railway Mileage—	
1905	1,060 miles
1925	5,004 "
1932	5,730 "
Schools in Operation—	
1931	3,346
1932	3,395
Bank Clearings—	
1922	\$ 546,227,960
1929	1,121,287,991
1930	791,592,337
1931	590,999,654
1932	479,550,000
1933	456,950,929
Bank Debits—	
1924	1,092,062,297
1929	2,008,969,312
1930	1,580,350,558
1931	1,213,514,284
1932	965,135,457
1933	982,717,839

ALBERTA'S PRIZE WINNINGS

Number of Prizes won in Seed Grains, 1933—	
Regina—World's Grain Congress.....	175
Toronto—Royal Winter Fair.....	36
Chicago—International Hay and Grain Show.....	50
Amount of prize money won: Regina	
World Grain Congress.....	\$26,500
Number of Prizes won in Live Stock, 1933—	
Toronto—Royal Winter Fair.....	211

